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March 4, 2010

Mary Rupp  
Secretary of the Board  
National Credit Union Administration  
1775 Duke Street  
Alexandria, Virginia 22314-3428

**RE: COMMENTS ON PART 704 CORPORATE CREDIT UNIONS**

Ms. Rupp,

We are very concerned about the proposed corporate regulations and urge the board to make changes to address our concerns. Following are comments on specific areas that we believe could potentially negatively affect Corporate Credit Union's ability to serve our needs in a safe and sound manner.

**Corporate Credit Union Capital**

Adjustments to non-perpetual contributed capital accounts should be allowed so Corporate Central's capital can grow with our membership over time. We recommend a three-year average year-end total asset figure to eliminate manipulation concern. Perpetual contributed capital should be callable without NCUA approval provided Corporate Central maintains all capital requirements and compliance with regulation. This decision should be left to the Board of Directors the members elected. The proposed regulation lays out very specific minimum capital requirements which must be met. To further allow arbitrary subjective determinations for establishing higher capital requirements is detrimental to the trust relationship with members and impedes Corporate Central's ability to provide accurate and absolute disclosure of capital positions and requirements. The Reservation of Authority section of the proposed regulation creates uncertainty relating to capital calculation methods and definitions. At a time when corporates will need to raise capital, arbitrary calculation methods and moving definitions provide members with unnecessary due diligence challenges.

**Prompt Corrective Action**

The current and proposed regulations provide NCUA with ample authority to correct problems at any corporate credit union. Allowing arbitrary modifications of capital requirements and ability to force PCA requirements on a sound institution due to one deficient category creates additional ambiguity and places an inordinate amount of power with the NCUA.

**Penalty for Early Withdrawals**

Allowing members to redeem certificates at a gain prior to maturity when such redemption can be facilitated without incurring a financial loss or diminishing liquidity position is what corporates should do for their members. To prohibit appropriate redemptions would reduce term deposits at Corporate Central thus resulting in a reduction of liquidity and possibly adding more risk. If Corporate Central can redeem at a gain, but not be allowed to prudently pass that on to the member, then Corporate Central would benefit at a cost to the member.

**Cash Flow Mismatch Sensitivity**

Cash flow mismatch modeling should include perpetual contributed capital as a 20-year liability and non-perpetual contributed capital as a five-year liability to enable Corporate Central to deploy contributed capital in a prudent manner to add value to members over the long-term.

**Weighted Average Asset Life**

The two year WAL limit will severely limit Corporate Central's ability to offer term loans and term certificates. Members of natural person credit unions will be impacted if Corporate Central's members are unable to meet members' term funding needs. Corporates and natural person credit unions will be forced to take on additional risk and be forced into the public markets at considerable expense.

**Limits on Business Generated from Individual Credit Unions or "Other Entities"**

The 10% of moving daily average net assets limit would unnecessarily increase Corporate Central's and members' cost of funds and create liquidity risk.

**Borrowing Limits**

Our Corporate Central has historically matched our loans with similar borrowings to reduce liquidity risk and interest rate risk. The proposed regulations would limit Corporate Central's ability to borrow and may inadvertently create more risk. The proposed two-year weighted average life limit significantly hinders Corporate Central's ability to offer term loans and term certificates. It would also negatively affect earnings. There are many high quality, moderate average life assets available that can be purchased without adding undue risk to a balance sheet. There are existing and proposed modeling requirements and limits that will capture the interest rate risk and cash flow mismatch risk that is being added by these assets, which are sufficient to limit risk.

**Secured Borrowing**

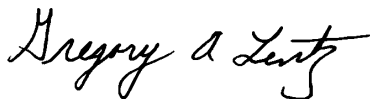
The 30-day limit on secured borrowing for purposes other than liquidity will further limit Corporate Central's ability to offer term loans to members. Allow secured term borrowing beyond 30-days for any purpose using government, government agency and government sponsored enterprise securities to reduce market risk.

**Board Representation**

As demonstrated by Corporate Central's experience and success, term limits are not necessary and a six-year term restriction would create excessive turnover. A member elected board with deep knowledge of the industry and the institution is in our members' best interest. Any limit on terms should be determined by the members. If the board thinks there must be a limit, it should be 12-years at a minimum.

Sincerely,

**WESTconsin Credit Union**



Gregory A. Lentz  
President